

Procedures for Annual Adjustments Newton County

Residential

- Step 1: The Residential land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. In neighborhoods where there was no vacant land sales the land was trended using the same trending factor as applied to the improved parcels. Values were adjusted using trending factors and did not change any base rates.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended using similar neighborhoods or a township trending factor. Based on the homesite rates established during the last land order; Beaver, Colfax, Jackson and McClellan townships were grouped and trended together (group 1). In the same manner, Iroquois and Washington Townships were also grouped and trended together (group 2).
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Commercial / Industrial

- Step 1: The C/I land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. In neighborhoods where there were no vacant land sales, the land was changed by comparing them to like neighborhoods or applying the same trending factor to both the Improvement value as well as the land. Values were adjusted using trending factors; there were no base rates changed.
- The land values for rural commercial and industrial properties were trended with the same factor applied to the residential land.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given for sales of an earlier time period in the neighborhood or the neighborhood was trended as similar neighborhoods. With the number of sales, all commercial / Industrial properties in the county were trended and grouped together (Com. Group 1).
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Due to the amount of sales in Newton County, it was necessary to open the window of sales used. We used sales from 01/01/2008 through 03/01/2010. The sales were time adjusted by 1% annual, which was established by using paired sales analysis.